



### Investment Objective

The **VIP Fixed Interest Portfolio** aims to provide a high level of income over the medium to long term through investment in a diversified portfolio of Australian fixed income securities including Government and Semi Government Bonds, Managed Funds, Term Deposits and Cash. The portfolio invests in 4 to 10 fixed income securities including Government and Semi Government Bonds, Managed Funds, Term Deposits and Cash that are managed with a bottom up approach while taking top down economic considerations into consideration.

### Investment Strategy

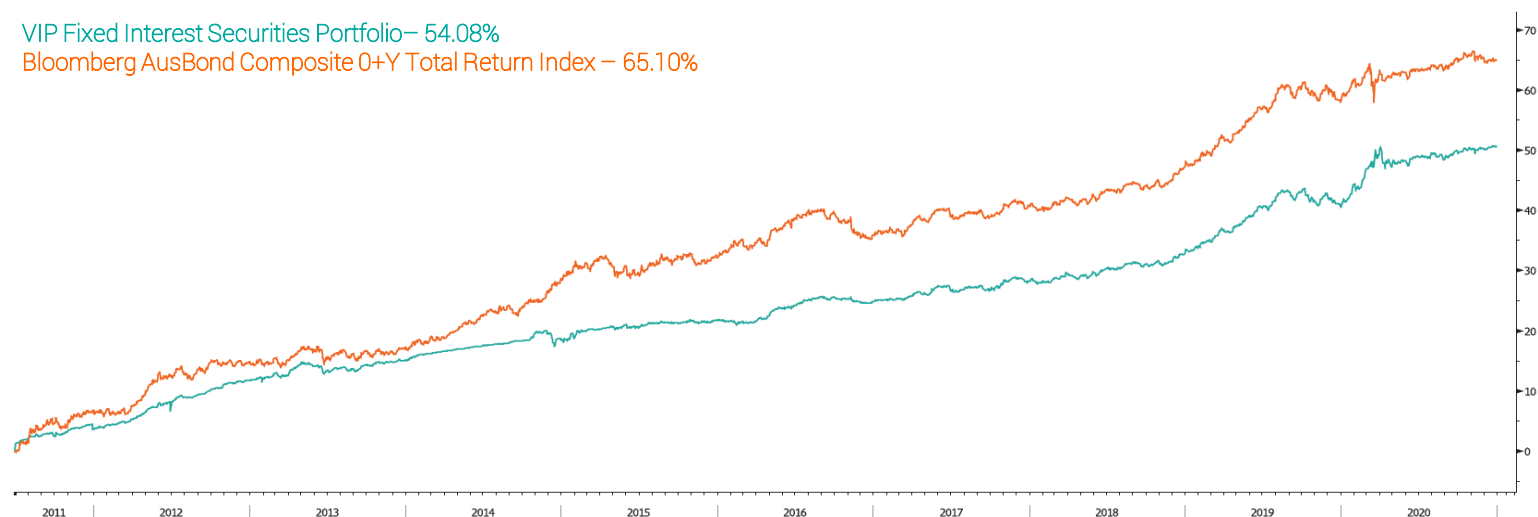
Our team analyses potential fixed interest funds through fund reports, external consultant material, and research papers to identify strong investment management, maintained investment philosophies and strategies, and the potential benefits of macroeconomic and market trends to support excess return. We then meet and vet the fund managers of prospective investment vehicles that are operating in domestic and global markets that our team have identified as being undervalued or subject to potential growth in the medium to long term. The resultant portfolio is formed of managed funds that should provide excess return and controlled risk exposure for investors of Value Investment Partners.

### Fund Performance

	1 Month	3 Month	6 Month	Y.T.D.	1 Year	3 Year (p.a.)	5 Year (p.a.)	7 Year (p.a.)	Since Inception (p.a.)
Gross Returns	0.04%	0.64%	1.19%	8.61%	8.61%	6.58%	5.27%	4.81%	5.69%
Net Returns	0.00%	0.51%	0.94%	8.20%	8.11%	6.08%	4.77%	4.31%	5.19%
Benchmark Returns	-0.27%	-0.10%	0.92%	4.49%	4.49%	5.72%	5.00%	5.83%	6.85%

VIP Fixed Interest Securities Portfolio – 54.08%

Bloomberg AusBond Composite 0+Y Total Return Index – 65.10%



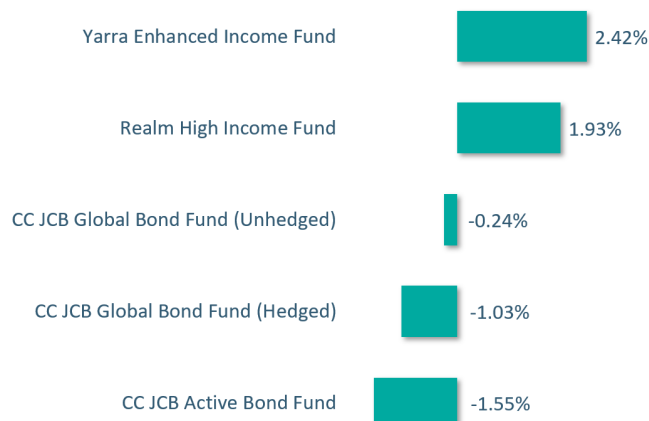
### Market Commentary

Consistent with recent activity, the Reserve Bank of Australia (RBA) cut the official cash rate a further 15 basis points in November, ending the year at a historic low of 0.10%. The RBA has also announced a \$100 billion quantitative easing program, roughly \$80 billion being spent purchasing Australian Government bonds, and \$20 billion purchasing state and territory government bonds.

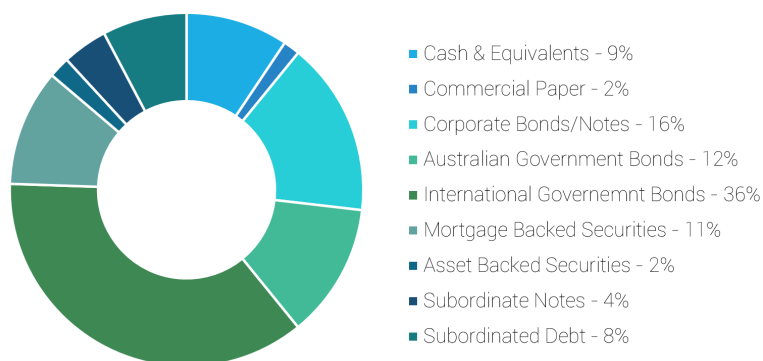
Despite hitting a low of \$0.58US, the Australian dollar finished strongly at \$0.77, rallying off the back of increasing iron ore prices, bond yields and a typically weak US dollar.



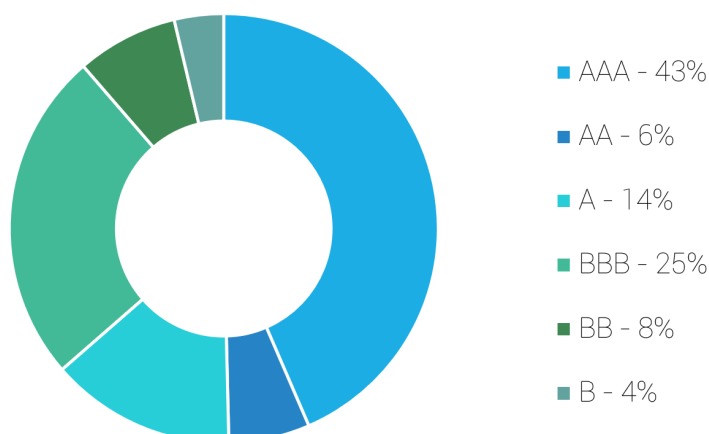
### 3 Month Holdings Performance



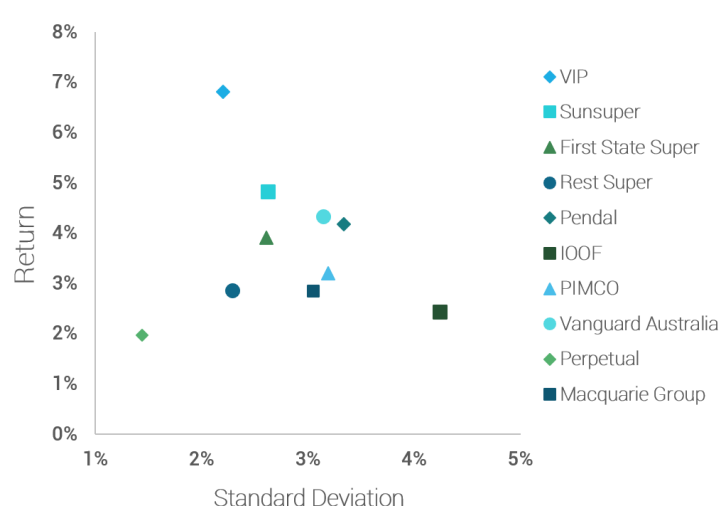
### Current Asset Allocation



### Current Credit Quality

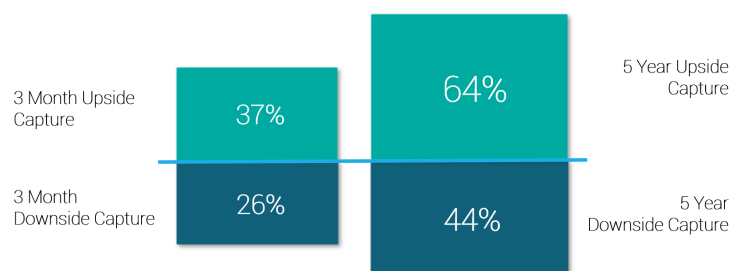


### 5 Year Risk/Return Profile



Source: Bloomberg

### Upside & Downside Capture Ratio



Source: Bloomberg

### Fund Characteristics

Inception Date	30 <sup>th</sup> June 2011
Investment Horizon	5 – 7 Years
Asset Class	Fixed Income
Management Style	Active
Current Number of Holdings	4
Index Benchmark	BACMO

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